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## I INTERNATIONAL ARMS DEALS

by

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## INTERNATIONAL ARMS DEALS

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THE ARMS AGREEMENT under which Egypt is obtaining Communist military equipment has introduced a new and disturbing factor into the already explosive armament race in the Middle East. The barter of Czechoslovak war materials for Egyptian cotton has increased tension between Israel and Egypt and provoked a series of border incidents that carry the threat of another Arab-Israeli war. Moreover, the new Red move in the Middle East has touched off a form of competition in armaments which could have far-reaching consequences in other parts of the world.

The shipment of Czech munitions to Egypt has ended the monopoly of supply in the Middle East held since World War II by the western powers. By engaging in what is described as a "commercial transaction," the Soviet bloc has opened a new and potentially large source of military equipment for countries which hitherto have been entirely dependent upon the West. For the first time, the Communists have given Egypt and other relatively weak countries the opportunity to decline western aid without the penalty of losing their only source of supply.

Reports that the Soviet bloc is promoting arms deals with additional countries have come from various parts of the Near and Middle East. Syria and Saudi Arabia have hinted at the possibility of getting Communist arms to implement their recently signed mutual security pact with Egypt. Afghanistan, which occupies a strategic position in the northern tier of states between Pakistan and the Soviet Union, has been invited to inspect Red Czechoslovakia's arms factories with a view to placing orders for military equipment.<sup>1</sup> Spokesmen for the Afghan government have expressed an interest in Czech arms and spare parts if the country cannot get the military equipment it needs from western powers.

<sup>1</sup> Radio Moscow announced, Oct. 21, that Afghanistan had accepted the invitation to send a military mission to Prague for a survey of modern arms plants in Czechoslovakia.

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Trade in arms with countries not under Soviet influence marks a new departure for the Communist states. Whatever the political motivations, the change in policy was made possible by the accumulation of relatively large stocks of surplus and obsolescent military equipment which can be used to alter the balance of power in many underdeveloped areas of the world.

#### EGYPTIAN ARMS DEAL WITH CZECHOSLOVAKIA

First public disclosure of the Egyptian-Czech deal was made on Sept. 27, when Premier Gamal Abdel Nasser announced that Egypt had contracted to obtain arms and military equipment from Czechoslovakia in exchange for cotton and other Egyptian products. Nasser said the agreement had been signed the previous week, after earlier arms negotiations with western powers had broken down. He added that Egypt had applied for arms to various big nations, including the United States, Great Britain and France, but those nations had attached "terms and conditions" which his government rejected "because we covet true freedom and a strong independent policy."

The official Cairo announcement did not disclose the quantity and types of arms to be received. However, informed diplomatic sources understood that the agreement called for delivery of 100 to 200 MIG-15 jet fighter planes, an unknown number of Soviet IL-28 jet bombers, 100 or more Soviet-type tanks, five to ten submarines, and sizable quantities of heavy and light artillery. Total cost of the arms, offered at bargain prices, was reported to be approximately \$80 million.<sup>2</sup>

Initial shipments of Communist equipment began to arrive at Egyptian docks late in October, less than one month after announcement of the Czech agreement. Reports from Alexandria said the shipments were carried by Soviet freighters which had sailed from Russia's Black Sea ports.

Premier Nasser justified arms dealing with the Communists on grounds of military necessity, national independence, and freedom from foreign domination. "For three years," Nasser said on Oct. 2, "we tried to supply ourselves with arms from our accustomed sources in the West, but we failed. The western countries felt they could give us—or not give us—whatever they liked because they thought they

<sup>2</sup> Prices quoted by the Communists were said to be one-fifth to one-tenth of current prices for similar types of western equipment.

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were our only market. . . . But now we have put an end to domination and foreign influence."

The Egyptian leader denied that his government harbored aggressive designs against any country, but he repeatedly branded Israel as "the enemy" whose military preponderance threatened the security of the Arab world. He complained that the western powers had shown partiality to Israel, and that Egyptian purchase of western arms was "not consistent with [western] deliveries to our enemy." The Council of the Arab League had sent a message to Premier Nasser on Oct. 1 which declared that Egypt's "firm stand" would strengthen the Arab cause. But the Arab states were sharply divided among themselves.

On the one hand, Syria and Saudi Arabia hailed Egypt's decision to barter for arms wherever arms could be found. Syria signed a mutual defense pact with Egypt, Oct. 20, providing for joint action to resist aggression against either party. A week later Saudi Arabia joined Egypt in a defense agreement that likewise called for closely coordinated defense policies and a unified military command.

On the other hand, Egypt's deal with the Czechs did not deter other Middle East nations from strengthening their ties with the West. On Oct. 11 Iran announced its intention to join the Baghdad pact concluded last February between Iraq and Turkey, and subsequently adhered to by Pakistan and Great Britain. Iran's participation will close the gap in the "northern defense tier" of countries now receiving western military assistance against possible Russian aggression.<sup>3</sup>

While the Arab states were divided on the question of their relations with the great powers, they were united in their hostility toward Israel. And the sudden acquisition of Communist arms by Egypt caused consternation in Israel, which feared that an intensified arms race would shift the military balance in favor of the Arabs.

#### ISRAEL'S RESPONSE TO THREAT OF ARMS RACE

Israel has expressed alarm over the threat of an all-out arms race ever since it gained its independence in the Arab-Jewish war of 1948. For the last three years it has been warning the great powers of the dangers of arming the Arabs and of possible chain-reaction war to follow.

<sup>3</sup> For background of Baghdad pact, see "Middle East Conflicts," *ERR.*, Vol. I 1955, pp. 265-272.

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As early as 1953 the Israeli government took a strong stand against western defense plans based on granting military assistance to Arab states. In 1954 it made representations in Washington and London against military aid to Iraq, and later opposed the Baghdad pact, which linked eastern anti-Communist outposts to the North Atlantic Treaty Organization, on the ground that its only effect would be to strengthen the Arab states against Israel.

But the Egyptian-Czech arms deal was condemned by Israel in much stronger terms than previously employed against military aid policies of the western powers. Premier (now Foreign Minister) Moshe Sharett told the Knesset (parliament) on Oct. 19 that Soviet intervention in the Middle East not only gave a "vehement spur to the arms race," but created grave danger of full-blown war. He charged Moscow with direct responsibility for promoting a politico-military deal, under the guise of a "commercial transaction" with Czechoslovakia, that would give Egypt "an overwhelming superiority in modern weapons."

The Knesset adopted a resolution of protest, Oct. 24, that received the support of all elements except the extreme left. After expressing "grave concern at the large shipments of arms to Egypt and continued arming of Iraq and other Arab countries who declare that they are at war with Israel," the resolution continued:

These shipments of weapons, which are a most serious threat to Israel, will be used by Israel's enemies in a war of destruction against her and endanger the peace of the whole area. The Knesset requests the government to marshal the people and the state against this danger, to increase the strength and equipment of the Israeli army, and to demand from the powers that Israel be given weapons to defend herself.

Hothead elements, led by the extremist Herut party, called for a preventive war before Egypt's military strength was built up, and some left-wing spokesmen urged that Israel also seek arms from the Soviet bloc. Premier Sharett resisted the concept of preventive war as an illusory solution to Israel's problems,<sup>4</sup> and shunned the idea of soliciting arms from Russia.

Israel's case was laid before the great powers, Oct. 27-31, in private talks by Sharett with each of the foreign ministers attending the Big Four conference at Geneva. He re-

<sup>4</sup> At Geneva on Oct. 27 Sharett declared "I hope to God Israel will not be driven to this—to what might appear a short cut to the solution of our grave problems."

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portedly warned Soviet Foreign Minister Molotov of the grave consequences of allowing the sale of Czechoslovak war material to Egypt at the risk of provoking a "local war" that could spread to other areas and thus endanger the peace of the Soviet Union itself.

The Israeli leader publicly reminded the United States, Great Britain, and France of obligations they had assumed in 1950, when the three powers jointly declared their opposition to an arms race in the Middle East and pledged themselves to prevent any violation of the frontiers between Israel and the Arab states. Sharett sought a stronger guarantee of Israel's territorial integrity through a binding security pact.

David Ben-Gurion, who replaced Sharett as premier on Nov. 2, pressed the western powers to permit the Jewish state to purchase "significant amounts of defensive weapons" to redress the military balance.

#### WESTERN ARMS POLICY UNDER 1950 DECLARATION

The Tripartite Declaration of 1950 laid down the basic policies to be followed by the United States, Great Britain and France in supplying military equipment to countries of the Middle East. Announced on May 25, 1950, during a meeting of the three western foreign ministers at London, the declaration set forth the following principles:

1. The three governments recognize that the Arab states and Israel all need to maintain a certain level of armed forces for the purposes of assuring their internal security and their self-defense, and to permit them to play their part in the defense of the area as a whole. All applications for arms or war material for these countries will be considered in the light of these principles. In this connection . . . [they reaffirm] their opposition to the development of an arms race between the Arab states and Israel.
2. The three governments declare that assurances have been received from all the states in question . . . that the purchasing state does not intend to undertake any act of aggression against any other state. Similar assurances will be requested from any other state in the area to which they permit arms to be supplied in the future.
3. The three governments . . . [declare] . . . their unalterable opposition to the use of force or threat of force between any of the states in that area. . . . Should they find that any of these states was preparing to violate frontiers or armistice lines, [they] would . . . immediately take action, both within and outside the United Nations, to prevent such violation.

In accordance with the 1950 declaration, the three powers sought to regulate their arms shipments in a way that would

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maintain an approximate balance between Israel and the Arab states, and not afford means of armed aggression against each other. Within those limits they endeavored to strengthen military defenses of the region as a whole. Thus between 1950 and 1955 Israel and the Arab states received relatively small supplies of military equipment from the West, in roughly equal amounts.<sup>5</sup>

When Egypt announced its arms deal with Czechoslovakia, the western governments promptly reaffirmed their declared policy on military shipments to the Middle East. A joint statement by the United States and Great Britain, issued by Secretary of State Dulles and Foreign Secretary Macmillan on Sept. 27, said:

Both governments base their policies on the desire, on the one hand to enable the various countries to provide for internal security and for their defense, and on the other to avoid an arms race which would inevitably increase the tensions in the area. They will continue, and hope other governments will continue, to be guided by these principles.

Paris announced on Sept. 29 that the French government fully supported the Dulles-Macmillan statement, and would continue to observe the principles laid down in 1950.

#### AMERICAN EFFORTS TO SUPPLY LEGITIMATE NEEDS

Before the Egyptian-Czech transaction, the United States made two unsuccessful attempts to reach an arms agreement with Egypt on terms consistent with the tripartite declaration of 1950. The first was made in August 1954, when Washington offered to negotiate a military assistance pact under which Egypt would receive American equipment on a "grant aid" basis as provided in the Mutual Security Act. Egypt sent a mission to the United States to examine American arms and a draft agreement was submitted to Cairo.

The Egyptian government considered the American offer for several months, but Premier Nasser rejected it in January 1955. His apparent reason was that the proposed agreement called for acceptance by Egypt of a small American military mission and included a specific provision, as required by the Mutual Security Act, that the recipient government would use the arms solely for internal security and legitimate self-defense. Nasser later said the offer was turned down because "an American mission means American influence."

<sup>5</sup> Apart from the parties to the declaration, the only countries supplying arms to the Middle East in significant quantities have been Belgium and Spain.



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The second attempt to reach an arms accord with Egypt was made last June when the United States agreed to consider an Egyptian request for American military supplies on a cash or commercial basis. The Nasser government submitted a substantial list of arms it wished to purchase; Washington reviewed the items requested and in August approved the list without change. In September negotiations were stalled on the question of payment, with the Egyptians maintaining that the American terms were "onerous." Nevertheless, Egypt's final rejection seemed to catch Washington by surprise.

According to later explanations by Nasser, the American offer called for delivery of arms valued at \$27 million which were to be paid for in cash. In a copyrighted interview with *U. S. News & World Report*, Oct. 31, the Egyptian premier said the \$27 million asked by the United States represented "exactly the total amount of dollars we had in the Egyptian treasury. . . . So we went ahead and signed the agreement with the Russians." Nasser said further that he had warned the American ambassador in June that he would turn to the Soviet bloc for arms unless he could get American equipment quickly and on satisfactory terms. Washington denied knowledge of any such explicit warning.<sup>6</sup>

The full consequences of the breakdown of negotiations with Egypt were not foreseen at the time it occurred. But with first shipments of Czech arms across the Mediterranean it became evident that a continuing flow of Communist war materials could quickly turn the military balance in the Middle East, and perhaps in other critical areas of the world.

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### **Surplus Arms and New Sources of Supply**

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SURPLUS STOCKS of obsolescent weapons made up the bulk of the first arms shipments to reach Egypt from the munitions producing centers of Czechoslovakia. According to authoritative western sources, the initial deliveries included none of the latest-type Soviet aircraft, tanks or artillery, and the quantities involved were relatively small. Yet by Middle Eastern standards, both the quality and the quantity of the weapons were impressive.

<sup>6</sup> State Department spokesmen conceded that the Cairo negotiations had stalled on the matter of financing, but offered no further light on details of the breakdown.

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Much larger amounts of the same types of equipment were supplied to Red China in the Korean war, and similar equipment was used on a small scale by Communist Viet Minh forces in Indo-China. Although the Soviet bloc apparently has not yet sold munitions to other countries not under Communist influence, Czechoslovakia's current attempt to negotiate an arms contract with Afghanistan has underlined the possibilities of exploiting surplus war materials to achieve Communist objectives elsewhere in Asia.

Latin America has not been immune from like forms of attempted Communist penetration. In May 1954 a cargo of Czechoslovak arms for the pro-Communist Arbenz regime in Guatemala was shipped from the Polish-held port of Stettin on the Swedish-registered freighter *Alfhem*. That adventure proved premature: the arms were landed at Puerto Barrios, on the Caribbean coast of Guatemala, but their discovery brought recognition by the Guatemalan people of Red plans to take over the country and led to quick overthrow of the Arbenz government.<sup>7</sup>

#### TRADITIONAL AND NEW SOURCES OF ARMAMENT

Surplus arms accumulated by the great powers after two world wars have been the chief source of supply for the majority of countries which lack armament industries of their own. The traditional source of arms for the Middle East has been Great Britain and the industrial nations of Western Europe, with the United States the chief supplier to Latin America. Before World War II Japan was an important arms vendor in many parts of Asia.

Great Britain was for many years the principal seller to Egypt, Iraq, Jordan, and smaller Asian states with which she had special treaty relations. Jordan's Arab Legion is still a British trained force of some 20,000 desert troops equipped with British arms. Iraq continues to receive British equipment and technical assistance. But Egypt's ruling military group has undertaken to free itself of dependence upon British arms.

During the Anglo-Egyptian Suez canal dispute, Britain held up deliveries of war materials previously ordered by Egypt. Egypt particularly resented failure to complete delivery of a 1949 order for 64 Centurion tanks; only about

<sup>7</sup> A State Department spokesman on May 18, 1954, termed the arms shipment "a threat to Western Hemisphere security."

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30 of these reached Egyptian hands. Subsequently, Egypt was reported to have purchased Valentine tanks from Belgium and heavy and light machine guns from Spain. But the bulk of Egypt's military equipment still consists of British-made weapons.

A French informant at Geneva told the Associated Press, Nov. 11, that France would shortly resume delivery of jet fighters and other equipment to Egypt under long-standing orders. Shipments had been interrupted in September, during the Morocco crisis, when Cairo was broadcasting anti-French propaganda to North African nationalists. On the same day the Italian Foreign Office announced that it would refuse export licenses for some 30 jet fighters said to have been ordered by Egypt from an Italian firm.

Israel has equipped its armed forces with relatively modern weapons procured chiefly in Western Europe. Most of its military aircraft, tanks, and artillery have come from France and Great Britain; its small arms from various European countries. The Israeli air force has reportedly placed orders with France for an undisclosed number of Mystère jet fighters.

In the past, Israel has made arms purchases from Egypt's present supplier, Czechoslovakia. In 1947, before the state of Israel was established and before the Communist takeover of Czechoslovakia, the provisional Israeli authorities placed a contract under which the Czechs agreed to furnish Messerschmitt fighter planes and a large quantity of German Mauser rifles. Most of the arms were delivered in 1948; since that year Israel has received no further shipments from Czechoslovakia.

Although Israel has no military aid agreement with the United States, it has been eligible since 1952 to purchase arms in this country on a cash reimbursable basis and several minor purchases have been made. No major request for combat weapons was submitted by Israel until after the Egyptian deal with Czechoslovakia in September.

The only Arab country now receiving any substantial amount of military equipment from the United States is Iraq, which signed a mutual assistance agreement with this country in April 1954. First shipments to Iraq consisted mainly of transport vehicles, signal equipment, and engineering supplies.<sup>8</sup> Other Middle East (but non-Arab) states

<sup>8</sup> Report to Congress on the Mutual Security Program, June 30, 1955.

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receiving American military aid include Turkey, Iran, and Pakistan, all on the northern tier.

#### RUSSIA'S GROWING STOCKPILE OF SURPLUS ARMS

The Soviet decision to allow its satellites to export arms on a "commercial" basis to countries outside the Communist orbit marked a startling departure from previous Soviet practice. Before World War II, when Russia was building up its own armament industry, the U.S.S.R. had no surplus arms for export, and actually imported certain types from Western Europe. Russia emerged from the war with a substantial stockpile of surplus equipment, but much of it went to arm Communist states of Eastern Europe.

With the rapid expansion of heavy industry after the war, Russia undertook mass production of a whole new series of conventional weapons—aircraft, tanks, projectiles, submarines—in addition to launching its atomic development program. New aircraft types developed between 1945 and 1950 included the MIG-15 jet fighter and the TU-4 long-range piston bomber; more recently, the IL-28 light jet bomber was brought into production. All of these postwar types were used in the Korean war; none went outside the Communist orbit.

Intelligence services of all of the western powers have kept tab on the growing stockpile of Soviet military equipment. Allen W. Dulles, U. S. Director of Central Intelligence, has described some of the main characteristics of the Soviet stockpile in the following terms:

It is now estimated that the Soviet has many thousands of . . . types of war equipment, some becoming obsolete, some surplus. All are likely to be replaced over the next few years. New tanks are in mass production, and new long-range and medium-range bombers are coming off the assembly line. For example, the replacement of obsolescent MIG-15s with newer models has created a reserve of some four to six thousand MIG-15s, of which a very substantial number could be off-loaded as an adjunct to a general program of causing trouble throughout the world.\*

The C.I.A. director took special note of Red arms shipments to the Middle East. He added that he would not be surprised to learn that countries in other areas, including Latin America, were being approached. He directed attention also to the key role Czechoslovakia was playing as the front for delivery of Communist arms.

\* Dulles' address before International Association of Chiefs of Police, Philadelphia, Oct. 3, 1955.

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### CZECHOSLOVAKIA: RED ARMS PRODUCER-TRADER

Czechoslovakia, long one of Europe's largest arms producing countries, has emerged as the agent of the Soviet Union in promoting the new armament traffic with nations outside the Iron Curtain. It was through the nationalized Czech armament industry that the 1954 shipment to Guatemala was arranged; it is through the same industry that the Reds are now selling weapons to Egypt and seeking to sell to Afghanistan.

Several unique factors contributed to selection of Czechoslovakia for the role of Communist arms broker. The country was not only an important maker of all kinds of conventional weapons, but had a background of long experience in the international arms trade. In the years before World War II, Czechoslovakia was the largest arms exporter on the European continent. It stood second only to Great Britain among the world's leading sellers of war materials.<sup>10</sup>

Skoda's history dates back to the mid-19th century when it was arms maker for the Austro-Hungarian empire. When Czechoslovakia became an independent nation after World War I, the company's headquarters were moved from Vienna to Prague. In the early 1920s Skoda became affiliated with the French armament firm of Schneider-Creusot, and the two captured a major part of the European arms trade. And when Germany occupied Czechoslovakia in World War II the Skoda works served as a principal source of Nazi munitions.

Almost immediately after the war, Skoda was nationalized by the independent Czech government and its production was diversified to include new products of heavy industry. Soon after the Reds came into power in 1948 the main plant at Pilsen was renamed the Lenin Works, and production was shifted to Soviet-type armaments. The Skoda factories have since been turning out tanks, automotive equipment, heavy engineering equipment, and artillery for the satellite countries and for Russia itself. At the same time they have kept up production of spare parts for certain types of military equipment sold to foreign countries in earlier years.<sup>11</sup>

<sup>10</sup> In 1938 Czechoslovakia's arms exports were almost 15 per cent of total world exports, compared with Britain's 17 per cent, Germany's 8 per cent, France's 7 per cent. The United States shipped 6.9 per cent of the world's total arms exports in the last prewar year.

<sup>11</sup> Afghanistan reportedly needs spare parts for equipment bought from Czech firms before the war. Saudi Arabia also was a prewar customer of Czechoslovak arms manufacturers, and Iran was a relatively large purchaser of Skoda equipment during the late 1930s. Yemen has some Skoda cannon dating back to 1875.

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In addition to the network of Skoda facilities, Czechoslovakia has other armament industries which specialize in aircraft and small arms production. The aircraft factories have been producing fighter planes and piston engines for the Soviet bloc since 1948; according to authoritative reports, they have turned out Soviet MIG-15 models since 1952, and are now switching to newer types.<sup>12</sup> The Czechoslovak Armament Works (CZ), with plants in Prague and Brno, has been producing small arms and ammunition for the Soviet bloc.

While Czechoslovakia is more dependent upon foreign trade than other Communist states of Eastern Europe,<sup>13</sup> the statement that its arms deal with Egypt was a "purely commercial transaction" has nowhere been accepted at face value. In a Guildhall speech, Nov. 9, British Prime Minister Eden said:

Now into this delicate situation [in the Middle East] the Soviet government have decided to inject a new element of danger. . . . It is fantastic to pretend that this deliberate act of policy was an innocent commercial transaction. Of course it is no such thing. It is a move to gain popularity at the expense of the restraint shown by the West. By this means it is intended to make it easier for Communism to penetrate the Arab world.

Eden said that there was not much use blaming Egypt for getting arms where it could; that it was "with the suppliers that the responsibility must lie" for creating a situation endangering peace in the Middle East.

#### TECHNICAL ASSISTANCE AND MILITARY MISSIONS

When Egypt announced the arms deal with Czechoslovakia, Premier Nasser said the arrangement would not involve use of Communist technicians or the presence of a foreign military mission on Egyptian soil. The Czech offer, Nasser insisted, was made "with no strings attached." However, the first shipment of Communist arms to Egypt was followed within a month by reports that a group of Egyptian pilots had gone to Czechoslovakia for training in use of jet aircraft.<sup>14</sup> There have also been reports that Com-

<sup>12</sup> The largest Czech aircraft group, known as AVIA, formerly produced Messerschmitt planes for Germany, switching to Russian production after the industry was nationalized.

<sup>13</sup> Czechoslovakia's trade with western countries increased in 1954 from 18 per cent to about 25 per cent of the country's total exports and imports. There was no expansion last year of its trade with the Communist bloc.

<sup>14</sup> The *New York Times* reported, Nov. 2, that Egyptian pilots had completed a course of jet training in time to return home to man the first shipments of planes.

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munist technicians are accompanying shipments of tanks and other Soviet-type equipment.

The design of Soviet tanks is different from that of western types previously used by the Egyptian army. The Red tanks could not be used effectively without intensive instruction in their operation and maintenance. Use of Soviet submarines would call for even more elaborate training, including initial operation by Communist crews.

In the past, few non-producing countries have been able to make effective use of modern military equipment without continuing technical assistance from the producing country. Soviet technicians accompanied the Russian planes and tanks sent to Red China during the Korean fighting, and the Soviet Union maintains military missions in all of the Communist countries using its equipment. The United States has military assistance advisory groups in more than 35 countries which receive American arms under military aid agreements.

The size and composition of American military missions has varied widely, in keeping with the nature of the assistance program in each country. Their primary functions are to assist the recipient country in training its defensive forces and to "inspect and observe" the use of American equipment, as required by the Mutual Security Act. The group in Japan numbers several thousand officers and men, and relatively large missions have been maintained in Greece and Turkey. Much smaller American missions are in Pakistan and Iraq. Yugoslavia recently agreed to permit an increase in the mission there from about 45 to 60 officers and men.

Egypt, as noted, rejected an American aid agreement on the ground that the proposed military mission would increase the country's dependence on the United States and lead to American interference in its affairs. Egypt asserts that the Czech arms deal carries no threat of "foreign domination," but her own military authorities have conceded that use of Soviet-type equipment necessarily makes Egypt's armed forces dependent on Communist sources for future supplies and essential replacement parts. Premier Nasser has said he is well aware of this dependence, but that Egypt had no alternative.<sup>15</sup>

<sup>15</sup> In copyright interview with *U. S. News & World Report*, Oct. 31, 1955.



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### USE OF CONVENTIONAL WEAPONS IN LOCAL WARS

The development of atomic weapons has had little effect on competition in conventional armaments, either among the big military powers or between smaller countries. Gen. Maxwell Taylor, U. S. Army chief of staff, recently observed that while possession of atom bombs by both sides may deter general war, it is open to question how effective they will be in discouraging local wars or aggressions. Many military authorities contend that conventional weapons, far from becoming obsolete, may be the decisive element in "little wars."

In the Middle East, Israel and the Arab states are competing for relatively small quantities of second-rate weapons. Israel insists that the Arab states already have numerical superiority in war material: Egypt alone, they say, has more jet aircraft, tanks, and field artillery pieces than Israel, and its military budget is three times that of Israel.<sup>16</sup> Egypt contends that the weapons it is receiving from the Soviet bloc will serve only to restore the military balance that has been running in Israel's favor.

In western capitals it is believed that Israel's overall military strength and effectiveness is at present superior to that of Egypt, and probably equal to that of all the Arab states combined. Hanson Baldwin, military expert of the *New York Times*, wrote Nov. 7 that in a renewal of Arab-Israeli hostilities, Israel would probably have "an initial advantage" even if the Arab states should display more unity than they ever have in the past.

On the other hand, any substantial influx of Soviet arms, particularly jet fighters and submarines, would undoubtedly turn the military balance in favor of the Arabs. In that situation, western observers have expressed fear that Israel might be tempted to launch a preventive "local war" before the balance had turned irrevocably against her.

Faced with the danger of hostilities in the Middle East that could involve all the great powers, the three western governments have hesitated to make firm commitments to supply Israel with arms to match the Czech deliveries to Egypt. The United States has agreed, however, in response

<sup>16</sup> Israeli sources in Washington stated, Oct. 13, that Egypt is superior in all the main elements of military material; that the effect of whatever Egypt receives from the Soviet bloc will be not to correct an imbalance but to create one.



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to an urgent appeal from Israel on Nov. 7, to consider a formal request for a "list of arms" which reportedly will include "significant quantities" of new-type military equipment.<sup>17</sup>

President Eisenhower said in Denver, Nov. 9, that, while willing to consider requests for arms needed for "legitimate self-defense," the U. S. government did not intend "to contribute to an arms competition in the Near East because such a race would not be in the true interests of any of the participants." He hoped that "other nations of the world" would take the same position. The Egyptian ambassador in Washington, Ahmed Hussein, warned the same day that the United States could ship arms to Israel only at the risk of losing Arab friendship. He thought it inconsistent that Israel with 1,700,000 people should be made as strong as Egypt with 23,000,000 people.

The United States has made it clear that any American military supplies for Israel will be furnished, not under a mutual aid agreement, but on a cash reimbursable basis subject to arms control regulations dating back to the neutrality acts of the 1930s. Since adoption of those early munitions control laws, however, many significant changes have taken place in the international arms trade and in problems involved in regulating exports of arms and ammunition.

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### **Postwar Changes in World Arms Traffic**

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AFTER WORLD WAR I all of the principal belligerents disposed of vast stocks of surplus military equipment by public or private sale to the highest bidder. Warships and certain types of heavy equipment were sold directly to other governments, but most of the surplus stocks found their way into commercial channels which at that time were not generally subject to government regulation or control. To correct abuses in the international traffic in arms, attempts were made to regulate the private trade in war materials under systems of government licensing and by means of publicity.

<sup>17</sup> Israel's list had not been completed when Ambassador Abba Eban presented his government's request to the State Department. It appeared certain that it would include jet aircraft, artillery, and tanks, in addition to purely defensive weapons such as anti-aircraft and anti-tank guns.

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Two international conventions signed during the 1920s envisaged uniform licensing regulations by all countries, and although neither came into force most arms producing countries adopted some form of licensing for exports.<sup>18</sup> A main purpose of the first convention proposed after World War I was to prevent acquisition of arms in dangerous quantities in territories controlled by the great powers.

In the United States, the neutrality acts of 1935-1939 set up for the first time a complete licensing system requiring all manufacturers of arms and implements of war, and all arms traders, to register with the government.<sup>19</sup> Much of the legislation in this and other countries was influenced by the prevailing theory that private munitions makers fomented wars by selling arms for profit without regard to the national interests of their own lands. But government licensing systems, while they curtailed activities of private arms dealers, had little effect on the scale of arms exports or the intergovernmental competition that preceded the second world war.

#### SCALE OF PREWAR AND POSTWAR ARMS TRADE

Total exports of arms and ammunition by the principal producing countries rose sharply during the years immediately before World War II, more than doubling between 1932 and 1938 when prewar competition was at its peak. The scale of the prewar armament trade was relatively small, however, by any postwar standards of measurement.

Global estimates compiled by the League of Nations showed that exports of all producing countries rose from \$42 million in 1932 to more than \$81 million in 1938; in the decade 1929-1939 total exports of arms amounted to just over \$500 million.<sup>20</sup> Making adjustments for differences in the value of the dollar, total prewar armament exports were approximately \$1 billion at present-day values—less than the United States alone exported in the form of military aid to its allies in the single year 1954.

Under the mutual security program, the United States has shipped \$11.4 billion worth of military equipment dur-

<sup>18</sup> The conventions of St. Germain (1919) and Geneva (1925) were signed by some 45 governments, but failed for lack of sufficient ratifications.

<sup>19</sup> An earlier statute, the Espionage Act of 1917, prohibited export of limited categories of arms under a military secrets provision.

<sup>20</sup> League of Nations, *Statistical Yearbook of the Trade in Arms and Ammunition*, Geneva, 1929.

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ing the last five years to support defense efforts of more than 35 countries.<sup>21</sup> These shipments included 7,575 military aircraft, 38,400 tanks and combat vehicles, and 1,079 naval vessels; also included were artillery pieces, machine guns, small arms, and a variety of other military equipment. The above figures do not include American arms sold to foreign countries on a cash basis under normal export control procedures.

Comparable export figures are not available for other arms producing countries. None of the other western powers has made public its postwar shipments of war material, and the Soviet Union has shrouded its arms trade in complete secrecy. Consequently, no overall comparison can be made between the prewar and postwar trade in arms.

The present practice of governments in withholding official information on arms exports and imports contrasts with the general prewar practice, which looked to publicity as a deterrent to harmful arms deals by commercial interests. Throughout the inter-war years, the League of Nations published a series of annual reports—the *Armaments Yearbook* and the *Statistical Yearbook of the Trade in Arms and Ammunition*—which gave a mass of data based on official information submitted by member governments. Since the war, the United Nations has dealt with the arms trade only indirectly in connection with disarmament efforts, and has not attempted to publish current information in that field. The United States government also has quit publishing annual reports on munitions control activities.

#### UNITED STATES CONTROLS OVER ARMS EXPORTS

The early neutrality acts included a provision which called for annual reports to Congress on the operation of munitions control regulations. Such reports were published each year through 1940, but the series was suspended during the war and was not resumed when hostilities ended. Last year, when the munitions control law was amended by the Mutual Security Act, the requirement of an annual report to Congress was dropped entirely.<sup>22</sup>

Under existing arms control regulations, every firm engaged in the business of manufacturing, exporting, or im-

<sup>21</sup> Cumulative figures through June 30, 1955. *Report to Congress on the Mutual Security Program*, June 30, 1955, p. 1.

<sup>22</sup> Section 414 of the Mutual Security Act of 1954 amended and renewed earlier munitions control statutes, including export control legislation of 1940 and 1946.

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porting any arms or implements of war is required to register with the munitions control office of the State Department. Such firms are entitled to export arms subject to the licensing of each shipment. Theoretically, it would be possible for Israel to deal directly with private aircraft and armament firms in an effort to place cash orders, but as a practical matter, no foreign government can purchase significant amounts of American military equipment without the approval of Secretary of State Dulles and of the President himself.

Pending a final decision on Israel's appeal for weapons, the State Department was reported to have under consideration a plea to the United Nations for an embargo on all arms shipments to the Middle East. Authority to impose arms embargoes exists in the neutrality acts and earlier legislation dating back to 1912. Under that authority the United States has proclaimed arms embargoes or imposed restrictions on the export of arms to Brazil, China, Cuba, Mexico, and Nicaragua at various times in the past. However, except in time of war, or under special legislation such as that forbidding trade in strategic materials with Communist countries, the United States has never attempted to enforce complete arms embargoes against entire regions such as the Middle East. Furthermore, without Russian participation, such an embargo would be worse than useless.

